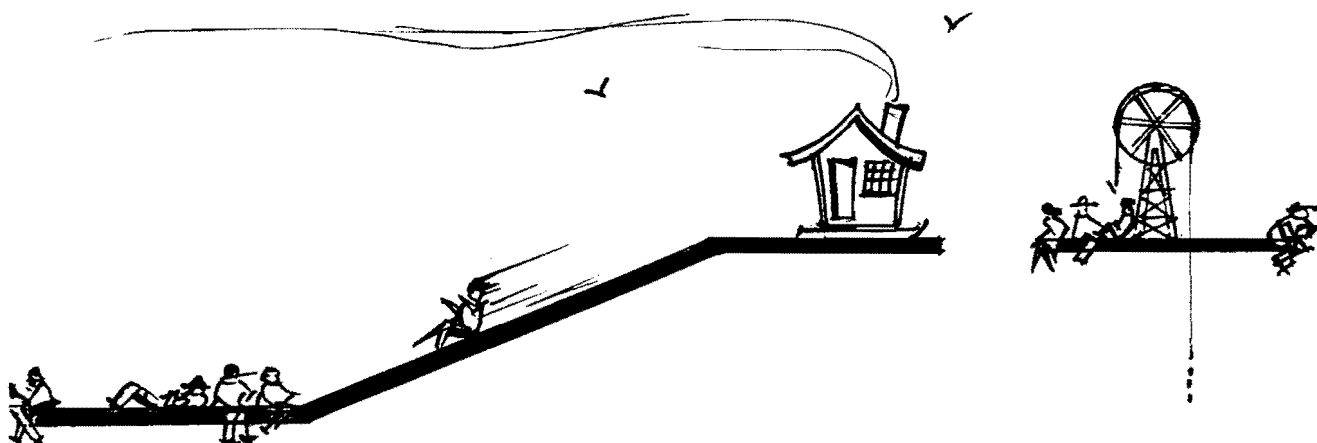


THE FUTURE MANAGEMENT OF CO-OPS AS PART OF THE COMMUNITY HOUSING SECTOR



"HALF WAY"

A Report to the Department of Planning and Development, presenting:

- Outcomes of the Consultation Phase
- The Generic Preferred Model
- Issues Requiring Resolution; and
- An Indicative Plan for the Implementation Phase.

NEVILLE BARWICK
CAROLE HAMILTON

August 1995

This Half Way Report may be read as both a precis and as an extension of the four mail-outs to all rental housing cooperative members which have occurred during the Consultation Phase of the project.

Accordingly, no attempt has been made to repeat what has already been communicated. Instead, this report collates and presents material which will:

1. enable the consultants' recommendations to be placed in context; and
2. identify the key issues which should now be considered, to enable the future community based management of the RHC Programme to be determined.

CONTENTS

	Page
1. Introduction	1
2. Outcomes of the Consultation Phase	2
3. The Generic Preferred Model for Future Management	5
4. Issues Requiring Resolution	9
5. An Indicative Place for the Implementation Phase	18

1. INTRODUCTION

The brief for this project issued on 11 November 1994, seeking submissions for a consultancy which would "develop a framework for the community based ownership and management of RHC properties." It required familiarisation with the recent research and documentation on the future direction of community housing options in Victoria; extensive consultation with the membership of the 21 existing cooperatives; and the development in consultation with the Office of Housing of solutions to the issues which were integral to the successful implementation of an appropriate management model. The brief anticipated an initial report at half way stage, which would detail the results of consultation, and identify and suggest initial options for resolution of major issues and propose a plan for project completion.

The Final Recommendation Report would identify a preferred option for the required management framework and outline the require steps for implementation of the proposed structure.

The submission from Neville Barwick and Carole Hamilton emphasised the need to obtain the maximum commitment possible from the RHCs during the Consultation Phase.

This would be achieved by two rounds of consultation - the first at cooperative level with meetings at times of venues of the cooperative's choice; the second through four regional forums conducted in the evenings at which the outcomes of the first round consultations would be validated and further discussed. Throughout the Consultation Phase, a comprehensive communications programme would be maintained, direct to every member.

It was also undertaken to accelerate the progress sought by the brief and "to propose tentatively a preferred option for framework and structure issues."

We are pleased to now present the Half Way Report and to advise that significant agreement has been reached on the objectives to be addressed in the future management of the programme and on the generic preferred model framework and structure. We are also able to identify key issues requiring resolution and to propose an indicative plan for developing solutions to these issues in Stage Two.

2. OUTCOMES OF THE CONSULTATION PHASE

The consultation undertaken on this project has been extensive. Spread over three months, it has involved:

- 21 meetings with cooperatives;
- four regional forums;
- monthly project management meetings;
- 16 individual submissions.

In excess of 400 persons attended the cooperative meetings and 52 attended the forums.

Together with research on existing documentation and the community housing sector developments in other states of Australia, it has been possible to distil very specific objectives which were then used for both design and evaluation of generic models for future structural arrangements.

The objectives which follow were the basis of the presentation of consultation outcomes at the regional forums and received general recognition and support. They have been classified into "Musts" and "Wants" - the "Must" objectives being both measurable and mandatory, i.e. any structural option which does not satisfy the terms of the objective would not be further considered; "Want" objectives by comparison, permit performance to a greater or lesser extent and enable a detailed evaluation to be made of each option considered. Accordingly, it is necessary to know the weight or significance of each "Want" objective to the mix of stakeholders involved. At the forums, agreement was obtained that the "Want" objectives listed first are the most valuable or significant but that following the first two or three objectives, all others remained of equal value and were also important to the success of the future management of the programme.

To facilitate the subsequent development of a generic model, objectives were then grouped with respect to the appropriate level of the roles and functions to be exercised in a comprehensive model for future management, i.e.:

- Programme Management - the central state-wide financial asset and programme management grouping;
- Service Delivery - the localised management and delivery of a community housing service including tenant selection and management, and the maintenance of the service role;
- Programme Support - the development and provision of those necessary supports to enable service delivery to be maintained at an acceptable level.

The outcomes of the consultation phase act as a translation from the colloquial language used to assemble stakeholders' views and values, to language capable of guiding the more technical task of public sector administration. They are presented and assembled and classified objectives relative to each level on the following pages.

PROGRAMME MANAGEMENT

MUSTS	WANTS
<ul style="list-style-type: none"> • Promote the <u>development of cooperative housing</u>. • Governance <u>control 51%</u> cooperative members (through regionally elected representation). • Supported by specific <u>legislation</u> which facilitates the establishment of a broader community housing sector. • Be based on a <u>charter</u> outlining social goals; mutual support; discretionary participation; natural justice and non-discrimination; model management rules and procedures; appeals and grievance processes. • <u>Limits exposure</u> to borrowing. • <u>No unfunded liabilities</u> to be inherited (including upgrade and stock maintenance). • Funding to cooperatives based on <u>agreements</u>, with subsidies no less than public housing subsidies. • Provide a basis for <u>equity or purchase arrangements</u> by members on eligibility criteria. • Provides an <u>independent appeal mechanism</u> for co-op members (administrative and natural justice). • Audits management practices and financial status of cooperatives. 	<ul style="list-style-type: none"> • Maximises accountability and transparency of programme management to cooperatives and community. • Minimise risk to security of tenure for current members. • Offers maximum protection to housing stock in line with growth of programme. • Maximises forward planning and funding capability. • Maximises the use of rolling term agreements for funding (3-year bench mark) on a maximum percentage of upgraded property valuation. • Maximises equity of access by community to programme through growth. • Minimises cross-subsidisation between regions with differing property values.

SERVICE DELIVERY

MUSTS	WANTS
<ul style="list-style-type: none"> • Be self managing within guidelines and model rules. • Report to programme management body through annual audited accounts, within terms of funding agreement and registration. • Be incorporated and registered and responsible for described roles and responsibilities including contract employment and landlord function. 	<ul style="list-style-type: none"> • Maximise the property function (all forms of maintenance and purchase, and upgrade development in accordance with set standards or with the advice of appointed building specialists). • Maximise the discretion in the execution of described responsibilities, (e.g. rent collection, maintenance, education and training). • Maximise the capacity to achieve the objectives of the cooperatives charter. • Maximise co-op identity. • Maximise office/meeting place for each co-op. • Maximise the range of housing types to meet the needs of tenants and to facilitate the negotiated movement of tenants, within guidelines, into housing suited to their needs (including movement between cooperatives).

PROGRAMME SUPPORT

MUSTS	WANTS
<ul style="list-style-type: none"> • Establish a viable, member-driven peak agency for cooperative housing in Victoria. • Establish a programme support agency responsible for described roles and responsibilities including contract employment; development and maintenance of a database; development and review of best practice; development of management rules and procedures; provision of education and training. 	<ul style="list-style-type: none"> • Maximise the support and servicing to cooperatives, e.g. advocacy for the programme; resourcing new cooperatives; property related technical advice; administration and management skills; conflict resolution; information sharing, e.g. newsletter, annual conference, etc.

3. THE PREFERRED GENERIC MODEL

While some issues require further attention in Stage Two of this project and are outlined in Section Four of this report, the objectives evolved during the consultations enabled a preferred generic model to emerge from the forums.

It was developed through the conjoint consideration of the levels presented relative to the roles and functions, and the structural options surrounding Programme Support and Peak Agency, there being general agreement on the roles and functions of the Programme Management and Service Delivery (cooperative) levels. The overwhelming preferences were for Programme Support to be separated from Programme Management and for the Peak Agency/Advocacy role to be a stand-alone organisation.

The preferred structural model is accordingly a four component one, with general characteristics (organisational and behavioral) as set out below. Details remain to be resolved in Stage Two.

<u>Level</u>	<u>Legal Status</u>	<u>Characteristics</u>	<u>Funding</u>
1. Programme Management	Established by legislation. Incorporated.	Governance by board with regionally elected cooperative majority. Undertakes its own strategic financial and asset management, programmatic advocacy, research and development within broad sectoral guidelines. Shares database with Service Delivery and Programme Support levels and maintains contract employment outside the public sector.	Government (CSHA). Mortgage recovery. Institutional capital loans and cash management.

2. Service Delivery (Coops)	Established by legislation. Incorporated.	Self-managing within model rules and to standards determined by Programme Management and developed in conjunction with Programme Support. Accountable to Programme Management of financial and administrative performance. Contract employment outside the public sector.	By funding agreement with Programme Management within (legislated) guidelines. Rental income.
3. Programme Support	Established by legislation. Incorporated.	Governance by regionally elected cooperative majority. Undertakes non-political roles and functions as directed and contract employment outside the public sector.	By funding agreement with Programme Management within legislated guidelines. Non-government funding (private, trusts and corporate).
4. Peak Agency/ Advocacy	Established independently by cooperatives. Incorporated.	Self-managing (within Association guidelines). Advocates for cooperatives generally. Contract employment.	By cooperatives (discretionary).

The specific roles and functions to be undertaken by each component of the preferred generic model may be derived from the objectives in Section Two and will be resolved in Stage Two of this project.

There are some roles and functions which will be integral components of the future management of community housing and which may or may not be developed specifically for rental housing cooperatives. These include the appeals and grievance processes to which both individuals and cooperatives (as service providers) will require access, and those activities related to tenancy default/advocacy and the Rental Tenancies Tribunal.

4. ISSUES REQUIRING RESOLUTION

4.1 Community Housing Legislation

- The nature and implications of community managed public housing on the scale contemplated deserves and requires specific legislation. The continued existence of a series of separate programmes under the present State Housing act in tandem with an array of provisions under other legislation (Cooperatives Act, Associations Incorporation Act, Residential/Tenancies Act, Corporations Act, Fair Trading Act, etc.), provides a coherent framework for a special area of activity, requiring a charter, management direction, goals, regulation and accountability.

If the aspirations expressed throughout this sector at all consultation forums are to be realised, legislation is required which recognises the character and dynamics of community management and provides specifically for the social goals and high level of self-management envisaged. Without it, there are real risks in ensuring that programme outcomes are aligned with goals and objectives and in ensuring equity of access and outcomes, and the secure use of public funding.

Legislation would need to spell out the features of cooperative/community management and set in place processes and management style legislation, not just regulatory or administrative provision, which provide for delegated powers through the Director of Housing.

All of this is notably absent at the moment and the consequences have come up in consultation many times.

There is a sound folk wisdom development from long association with the operational aspects of housing cooperatives by members, which was articulated very effectively in lay terms during the consultation. This body of operational knowledge is a rich resource for the development of future structural and operational legislative arrangements, for a community housing sector, within which cooperatives would operate. This legislation would be of an essentially different character to general public sector administration via paid bureaucrats. Previous attempts to provide some of this framework and rigour have been enacted under the provision of successive Commonwealth State Housing agreements and the present CSHA proposals for performance indicators for community housing programmes are a further development of this project. However, this only goes part of the way to providing for the needs being expressed by this community. Some state, notably South Australia, have developed, or are developing (NSW has draft legislation before Parliament), more comprehensive, specific, state based community housing legislation.

4.2 (Financial) Viability of the Programme

- A comment at one of the consultation forums makes a graphic point. "The upper benchmark for the programme (cost), has to be less than the private

rental market. Why should government be involved in providing a Rolls Royce service which costs more than the private rental market? Clearly too, the minimum benchmark is the current standard of public housing stock and servicing. RHCs need to be somewhere between."

- The RHC programme (and other social community housing programmes) has been established to provide a consumer friendly housing service, where any additional "cost" is in large part, balanced out by "community" contribution to programme running costs. The cooperative management model for public housing management has been utilised in many countries for this very reason.
- Maintaining the financial viability of community housing programmes within those upper and lower benchmarks directs a complex balance sheet.
- Discussions during the consultation phase revealed that while many people recognise the nature and origins of the "inputs" and "outputs" in the cooperative programme, many do not.
- Cost benefit has been an issue not well understood and be-devilled by the paucity of reliable data or agreed measures. In 1991, South Australia commissioned an in-depth cost benefit study of the South Australian cooperatives programme, the result of which demonstrated the close nature of the balance and the difficulty of quantifying some of the public good - social benefits of the programme. (Bethune 1991)
- Consultation discussions in Victorian RHC programme development have focussed on means of spreading existing resources more cost-effectively to fund un-resourced or under-resourced functions in programme infrastructure. A frequent proposal has been of developing regional scale organisation for the service delivery component of the programme, either by amalgamating several cooperatives (e.g. Eastern Regional Housing Association - Moe, Chelsea, Bairnsdale), or by an administrative support network to replace dedicated, attached administrative support.

There have also been significant proposals to base more cost-effective purchasing of prime cost items and general maintenance materials on a regional rather than individual cooperative basis.

- There remains a need to undertake detailed work on an overall strategic evaluation of the RHC programme, in the context of the other community housing programmes, which incorporates quantitative data on cost effectiveness, based on financial comparisons with other forms of public housing assistance.

4.3 Tenant Participation

An issue of concern and importance raised early in most consultation meetings has been that of "participation". The debate has always been around the issue of compulsory versus discretionary participation. What drives the debate is the strong

feeling of many, that compulsory participation as a condition of tenancy and membership can be unnecessarily onerous, and often becomes a source of destructively negative group/factional dynamics. "It was dangerous, people were destructive - they got spiteful."

A number of housing cooperatives have adopted various forms of discretionary participation - period of leave or excused status for specified reasons. The consensus overall was that it should be discretionary and that no cooperative should be able to mandate it as compulsory as a condition of membership. It was the view of most that what should be stressed is "maximum voluntary participation". There was a widespread expression of the need to train, encourage, reward and support for maximum effective participation. However, many were concerned and confused about how cooperatives would run on a voluntary basis and understandably, the main worry was about "free-riders".

For most people, the primary objective is "getting a roof over heads". This is not a totally free choice - housing cooperatives are essentially a means of delivering a housing service, as is the case with all "community housing", and levels of "participation", have always been problematic as many overseas studies of the last 25 years attest.

It is, as one person commented, "what makes it different to ministry housing." People were very clear about the need for there to be a broader airing of these issues and "a wider interpretation of "participation"" - and that it must be allied with early induction and training.

It was clear from these discussions that the term "participation" is used very loosely to mean a number of things. The concept needs "unpacking" and a more precise and detailed specification and operational definition developed.

There are fundamentally, three elements:

- contribution (administration, property management and landlord roles);
- social development (individual and collective);
- involvement with decision making processes of the cooperative.

While the preferred outcome from consultation was a discretionary approach to participation, it was stressed that this did not mean "optional". this means that forms and levels of contribution and involvement in cooperative processes and events need clear quantifiable specification, e.g. "x" hours per annum to "y" activity/role - minimum meeting attendance per annum.

In addition to specifying quite precisely the level of voluntary contribution around a broad range of activities, the volunteer nature of the role and the contribution to improving service is what should be stressed and institutionalised at the programme level.

Management processes and in particular, decision making in cooperatives also needs to be reviewed and a best practice culture developed. The central management body will have a clear role in auditing performance in this area.

Currently, a committee of the Community Housing Advisory Council - the Consumer Rights Working Party is undertaking work on tenant participation which would provide a base for a policy statement for the state-wide Community Housing Programme.

Further implementation work on the Rental Housing Cooperative Programme should proceed in this wider context.

4.4 Purchase/Equity; Self-Build Programme Options

The possibility of the programme in the future developing these sort of options was raised at most meeting.

Most people were aware of and based their ideas on the current public housing policy or purchase. Conviction was particularly strong where people had lived in the same dwelling for many years and undertaken perceived improvements.

However, there were also strong views that "equity" vested in the cooperative not the individual member and it was argued that individual purchase or recognition of equity in a property was contrary to the concept of "cooperatives". Notwithstanding, there was strong interest and the future control management body will need to develop and negotiate a policy position.

The South Australian Cooperative Housing Authority has recently announced the development of a self-build scheme to enable cooperative members to be involved in the building of their own homes. By using self-builders' "sweat equity", the total cost of the dwelling is substantially reduced. The "sweat equity" component can be used as a deposit to purchase the house or can be taken out as equity investment shares in the cooperative. (This programme has been based on the Victorian Self-build Scheme which has operated for several years, separately from the RHC Programme.)

The Equity Investment Scheme in South Australia was developed early in the life of the new programme. It is based on Section 51 of the Housing Cooperatives Act 1991 which provides for the issue of equity shares to all tenants who so desire to invest progressively in their cooperative's property.

South Australia has also developed an Innovative Design Fund to allocate funds to innovative building for cooperative housing. Projects have included a factory renovation and ecologically sustainable housing.

4.5 Security of Tenure - Dwelling and Location Choice - Flexible Stock Composition

- Future policy guidelines concerning security of tenure was one of the most important issues for cooperative members in consultation meetings. Departmental undertakings were noted but there was a strong desire to see this issue documented as a mandatory objective for any future programme management agency. Many were of the view that the original vision of community housing was that security of tenure was limited to a particular

property, not just location. It appears to be critically necessary as part of any effective change process, to clarify and promulgate Departmental policy on this issue.

Also raised in this context was the desire to provide suitable accommodation as tenants/members' needs change over life-stages. At the moment, the limited range of stock types makes it difficult to meet the needs of people when children leave home. It was stressed that this should be a negotiated process. Management of this process was seen to be very sensitive. Effectively balancing the needs of older or single people and equity of access in housing provision, hinges around a much more flexible provision of a range of stock. Without an adequate supply of suitable stock, development of allocation guidelines was seen as pointless and unnecessarily troubling for older people who may feel likely to be forced to move against their wishes. The answer is clearly the planned development of more innovative housing to meet a range of needs.

Cooperative housing to date has not planned for the future provision of housing for their members. Many cooperatives have a policy which binds the cooperative to house a member's children in the event of death or other circumstances. This is a matter which will need to be made the subject of overall programme policy through the central management agency. South Australia has made provision under their Act for a guardianship by-law. This is not a mandatory requirement but it enables cooperatives to choose to house its members' children within clear guidelines.

4.6 Consumer Rights - Complaints and Appeal Mechanisms

- Consumer rights to information, minimum service standards and independent appeal mechanisms were first written into the 1989 Commonwealth State Housing Agreements. Part XI Clause 29 provided that,
 - "... a state shall ensure that by way of user rights and participation - applicants for and recipients of housing assistance have access to:
 - i) information about available housing assistance and current policies
 - ii) an independent appeal mechanism agreed by the Minister and State Minister."

These provisions were to be implemented by all states by 31 August 1990. However, establishment of effective decision appeal and complaint mechanisms took much longer for most states to develop for public housing. Community housing programmes still do not have access to complaint or independent appeal mechanisms. The necessity for independent appeal mechanisms and effective internal grievance/complaints processes was raised at most consultation forums. In addition, several confidential submissions were received stressing the urgent need for this protection to be extended to community housing tenants. These individuals were motivated by strong grievances and perceived experience of unfair treatment, and absence of natural justice or due process.

In some ways community housing tenants can be more vulnerable than their public housing counterparts to breach of their basic rights, because of the lack of accountability and level of professionalism of many small community organisations. Establishment of appeal rights through user-friendly, non-legislative, arms-length mechanisms provides a balance to the collective power intrinsic to tenant participation initiatives, by empowering the individual. Effective appeal processes have the potential to introduce greater accountability to both government and community housing organisations. They will need to be accompanied by training and resourcing for tenants, better information flows, codes of practice and a competent, professional advocacy body.

Specification for an appeals process will need to address:

- internal decision review (i.e. cooperative to central management/tenant/member to cooperative);
- agreed service standards;
- conciliation processes;
- the scope of independent adjudication;
- provision of advocacy advice/support services.

All of the above needs to be developed in the overall context of the Community Housing Programme in Victoria and nationally. Current systems and practices in State Housing Authorities will need to be reviewed as part of the development and implementation analysis, along with existing independent administrative appeal channels, e.g. Administrative Appeals Tribunal, Ombudsman.

It is noted that the Community Housing Advisory Council has established a Consumer Rights Working Party, the work programmes of which include:

- charter of tenant rights and responsibilities;
- development of appeal mechanisms - internal and external;
- tenant participation guidelines;
- equity of access guidelines.

Stage Two work for this project should be integrated effectively with the schedule of this working party.

4.7 Programme Infrastructure

Programme Support

- There was a strong need expressed in all consultation forums for a programme support agency. Since the demise of the Cooperative Housing Advisory Service in the late 1980s, cooperative housing has lacked any training, technical advice, shared information or common discussion forums and advocacy capacity. What efforts have been made to fulfil some of these functions through initially "Joint Cooperatives" and currently "Joint Housing Collective" following the Raymond Island Conference in September 1993, have been under-resourced and not fully representative of tenants/members across the programme.

The need to develop an effective structure of authoritative capacity for the sector, was highlighted over and over. People expressed the need to improve practice, get uniformity of practice and get cooperatives working together. The strong view was that the programme support body needs to be highly responsive and accountable to tenants/providers of community housing services. There were strong views that its priority goal must be skilling "members" not "staff". In other words, people were very attune to the danger of this function being hijacked by professional staff.

Aware that this function was important and would require good resourcing, suggestions were made about achievement of effective information sharing and economics of scale, by developing a programme support body which would achieve independence and viability, and be in a position to employ good people, by offering professional services to all community housing providers - CERCs, RHCs, group housing, youth housing, elderly housing, etc.

There was also a strong consensus that the programme support agency should stand alone from central programme planning and management.

- Communication was seen as a very important function - not done well at the moment. It was acknowledged that there was no forum for tenants to speak, without professional staff and that this function requires development and facilitation. There was a need to develop an on-going communication programme through newsletters, regional forums, workshops and annual conferences.

Training was everywhere endorsed as a top priority including the need to train "bureaucrats" - the community housing sector required an extensive and cohesive investment of training.

Peak/Federating/Advocacy Function

- Discussion centred around whether programme support functions and advocacy/lobby functions should be joined in the one agency or should stand alone.

The balance of views supported separation of functions. It was felt to be preferable to avoid jeopardising programme support functions and dilute its specialist/technical consultation and assistance, information and referral, personnel development and training, evaluation and data development, with the more political and lobbying roles inherent in an advocacy functions.

In addition, there were strong views expressed concerning the need to ensure the "independence of the peak". It was felt that while programme support functions could have wider application, the "peak" should stand alone - "we have to own it and fund it."

The potential was also seen to develop a more broadly based federating agency for cooperatives which could encompass CERC cooperative membership. New South Wales and South Australia have these functions integrated in their cooperative sector infrastructure. ARCH (Association to Resource Cooperative Housing) and CHASSA (Community Housing Assistance Service South Australia) both combine technical support and advocacy.

Support Workers

- Programme change will alter the arrangements whereby most individual cooperatives have employed support and development workers. Given the isolation and lack of support for rental housing cooperatives over the last seven to eight years, the strong dependence of cooperatives on this form of support has been inevitable. Views about future arrangements varied from strong support for the status quo, to an awareness of the need to reallocate programme resources more effectively within current levels. There was some awareness that compared with other community housing programmes, costs for support were high and not best deployed. Options canvassed covered:
 - shared clerical support between cooperatives;
 - greater levels of volunteer effort;
 - effective use of administrative and financial software packages.

It was also acknowledged that the dependence/dominance of workers in some cooperatives was an issue which needed resolution.

4.8 Devolution of Management - Ownership and Titling

- Initial consultation generated three options for the repository of property titles:
 - ownership to remain with government;
 - ownership to be vested in the central programme management agency;
 - ownership to vest with registered cooperatives.

There was sporadic, limited support for title to remain with government (DPD) on the basis of greatest security. The sector was fairly evenly divided on the latter two options, with marginally more in favour of the central programme agency holding title.

- Those favouring cooperatives holding title (as is the case in South Australia and New South Wales but protected as collective assets by caveat), felt that the symbolic significance of legal ownership vesting with cooperatives was of paramount importance in furthering the social goals of community housing, in that there was great potential to harness energy and pride into the voluntary and sweat equity contribution to programme resources which is a central driver of community housing. There was also a view that vesting title with registered cooperatives would mean simpler processes in the negotiation of sale and purchase of property - a process currently be-devilled by layers of bureaucratic detail. Numerous occasions of lost opportunity to purchase particularly suitable or well-priced properties were cited.

The principle of subsidiarity, removing to the lowest possible level all functions which do not need to be coordinated or centralised, would support the view that title should vest at service delivery level.

- The view favouring the central programme management agency holding titles was based around the perceived greater security and professional expertise in administering property, and asset and financial management. It was thought that the collective vesting of all titles in an incorporated accountable central programme body would facilitate maximum return to the programme of increased property value and facilitate borrowing for programme growth. This option was thought to best promote the public good aspects of the programme by promoting equity of access to community housing on the basis of need.

It should be noted that technically, "location" of ownership does not necessarily affect the capacity to maximise asset management and financial planning. Effective financial instruments can be developed independent of the location of title, providing specific caveats and accountability mechanisms are put in place.

However, it may be that from an operational perspective, the centralising of title would facilitate a property/maintenance database.

Incorporation

Options for legal incorporation for programme infrastructure are limited to either incorporation under Section 383 of the Corporations Act administered by the Australian Securities Commission, or the Association (Incorporation) Act administered by the Office of Fair Trading within the Victorian Attorney General's Department, or the formation of a trust (also administered by the ASC).

The ASC has issued a Policy Statement (March 1993) and Guidelines for Section 383 incorporation which is designed for not-for-profit organisations specifically. This legal form stresses the non-commercial character of the body and allows the term "Limited" to be omitted from the organisation's title, thus highlighting the pro-social character and charter of the organisation for public purposes. Incorporation in this manner provides for a national scale of operation. Incorporation under the Association (Incorporation) Act, is in the process of being limited to smaller organisations. The Attorney General is likely to table a position paper to the Spring Session of Parliament which will specify limits for organisations wishing to incorporate as an association, to under \$1 million of assets and \$500,000 turnover. Under Section 31A of the Act, the Minister can already direct organisations to the Corporations Law framework.

The lodging requirements under the Corporations Act are more onerous than for associations and provide far more rigorous accountability. Directors' responsibilities are similar though with some variation in liabilities.

5. AN INDICATIVE PLAN FOR THE IMPLEMENTATION PHASE

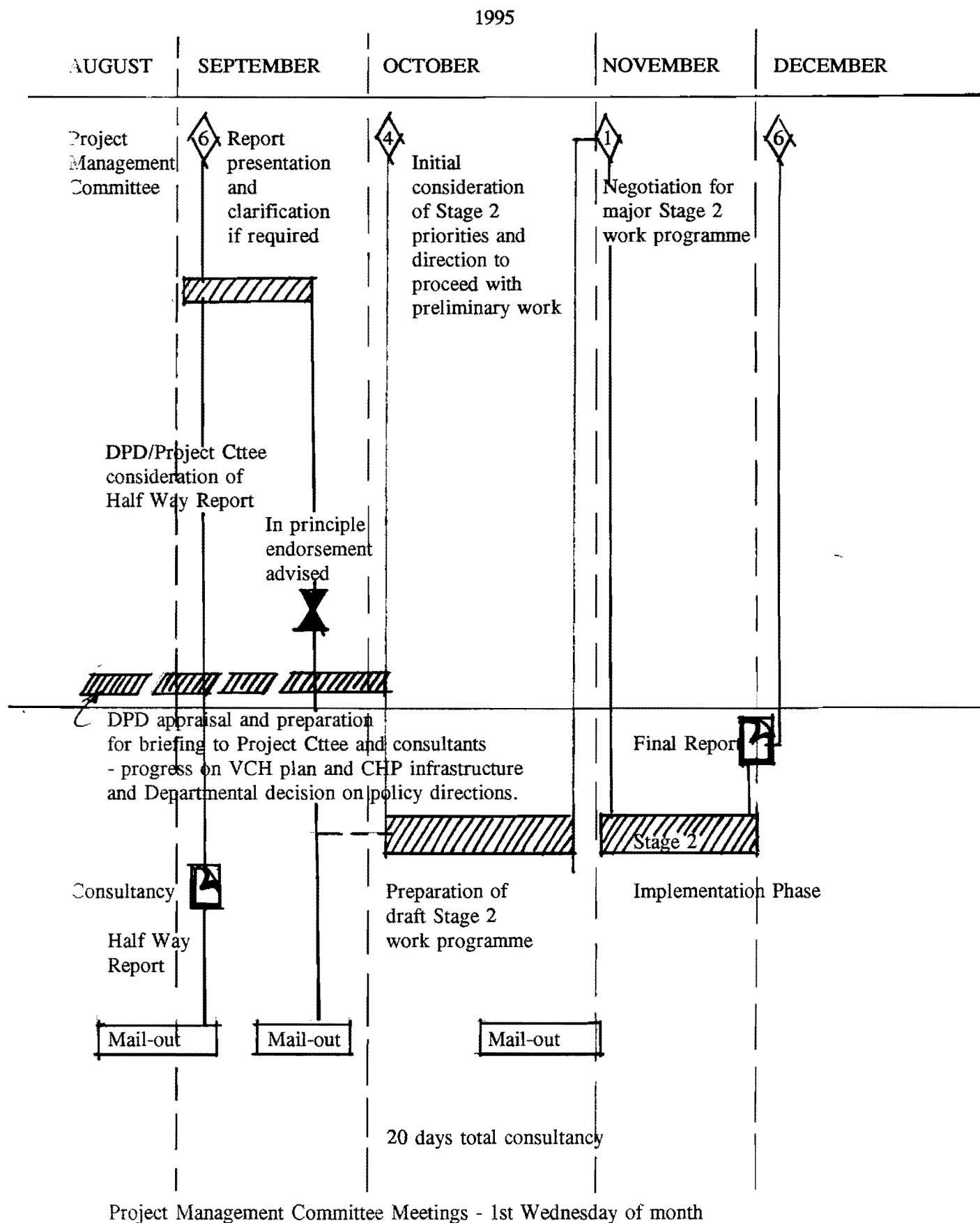
The Solutions Planning Phase outlined in the Consultancy Proposal anticipated that a negotiated plan would now be developed, which took into account the progress made on the many issues identified in the VCH plan, and on the range of infrastructure projects and consultancies undertaken within the Community Housing Programme.

Noting now the achievement of the agreed outcomes for Stage One of this project and the progress made with consensus on objectives and generic model, it is critically important to maintain the project momentum and the commitment of the cooperative membership. Accordingly, while seeking to propose a plan for Stage Two, it is possible to be indicative only, and to identify a broad sequence of interrelated issues, and to suggest the nature of those activities on which the balance of the consultancy might most cost-effectively be targeted.

As noted in the consultancy, the consultants are flexible in the scheduling for this phase, but commitments have been entered which significantly absorb normal working hours in October. This would not preclude activities being undertaken which do not require consultation and face-to-face interaction.

The indicative schedule set out below takes into account the current pattern of project management committee meetings and the need to place Stage Two work programme in the context of the evolving Victorian Community Housing Plan.

Indicative Schedule for Completion of Project



RENTAL HOUSING COOPERATIVE PROJECT

Submissions Received

Cooperatives

- Fitzroy Collingwood Rental Housing Association (secondary upgrading issues)
- East Coast Community Housing Association (association proposal)
- Carlton Rental Housing Cooperative (meeting notes and issues for consultation)
- Northcote Rental Housing Cooperative (questionnaires and responses)
- West Turk Housing and Elderly Services Cooperative Ltd.
- CHP Meeting - Frankston RHC 29-5-95 (reps in attendance - Frankston, Chelsea, St. Kilda, Moorabbin, South Barwon, North Geelong, East)
- St. Kilda Rental Housing Cooperative
- Footscray Rental Housing Cooperative
- Melton Rental Housing Cooperative
- Williamstown Rental Housing Cooperative (survey results)

Individuals

- G. March - Melton RHC
- Greg M. Nolan - Moorabbin RHC
- Mick Boyle - Response to CHP subsidies; proposal - DPD
- P. Keating
- J. Hedger - Northcote
- Several people wishing to remain confidential

Joint Housing Collective

- Response to KZ Consultancy Report